



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0500	<b>Title:</b>	Revise terms for treating physician designation in workers' compensation cases
<b>Primary Sponsor:</b>	Olsen, Andrea	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Proprietary (06)		----- Unknown -----		
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Proprietary (06)		----- Unknown -----		
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** This bill reverses the provision in HB 334 that passed in 2011 that allowed the insurer to designate a worker's treating physician and provides that the injured workers can choose and designate a physician to be the treating physician. Reversing this provision of law will most likely increase rates charged to employers.

### **FISCAL ANALYSIS**

#### Assumptions:

#### **Montana State Fund (MSF)**

1. HB 334 allows a worker to choose a person who is defined as a treating physician for initial treatment and designate that person, or another, as their treating physician.
2. Treating physician is defined in 39-71-116(41), MCA, to be the person who is primarily responsible for the delivery and coordination of the worker's medical services for the treatment of a workers' compensation injury.
3. As required in law, the treating physician will be paid at 110% of the workers' compensation medical fee schedule. If the employee does not designate the treating physician, all providers involved in the treatment of the injury are paid at the fee schedule level.
4. The workers' compensation insurer may select the treating physician only if the employee selected treating physician fails to comply with their responsibilities as defined under 39-71-1101(2), MCA.

5. The National Council on Compensation Insurance (NCCI) estimated the loss cost impact to the Montana workers' compensation system for implementing the insurer designation of the treating physician provision in HB 334 as between - 4% and - 14%. Upon enactment of the current statutory language (HB 334), NCCI's loss cost filing was - 8.5%.
6. HB 500 would have the reverse effect based upon assumption 5. An anticipated increase in claims costs, would result in an anticipated increase employer workers compensation rates. However, the amount of the anticipated increase cannot be determined.

---

*Sponsor's Initials*

---

*Date*

---

*Budget Director's Initials*

---

*Date*